

**Alkemy**  
enabling evolution

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# WE HELP COMPANIES TO **EVOLVE** THEIR BUSINESS IN THE POST-DIGITAL SCENARIO



Alkemy was founded in 2012 with the aim of supporting the **top management** of large companies in the **process of digitizing** their business model.

The market in which Alkemy insists is the **digital transformation market** which today in Italy is worth around **6 billion euros** and **grows** at a rate of about **9% per year**.

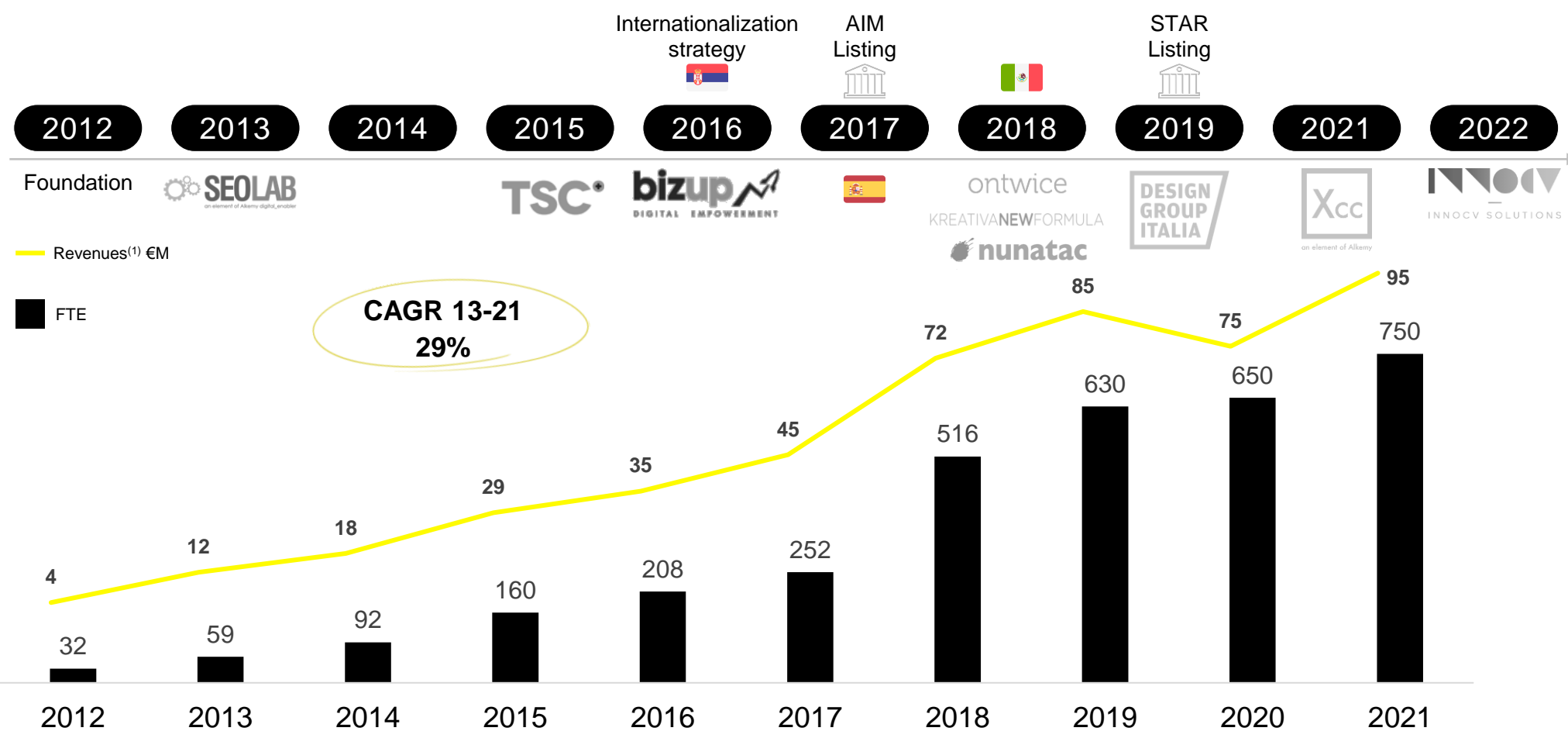
In this market, Alkemy has developed a **differentiated positioning** that has allowed it to grow with a **CAGR of 21%** (>2x the market), to move from the 23 starting resources to a team of over **800 people** and a turnover of **95M€** in 2021.

In these 10 years, Alkemy has **successfully** used the **M&A lever** (9 acquisitions) using the IPO proceeds in less than nine months, and the **EBITDA growth** of the four acquisitions made in Italy from 2013 to 2020 was up to **+500%**.

Alkemy has developed a **new organization** and a new Go-to-Market strategy that have laid the foundations for the **industrialization** and expansion of the business scale, resulting in **strong organic growth and higher profitability**.

# ALKEMY OVER THE YEARS: A STORY OF GROWTH

A story of people, acquisitions, geographical expansion and growing revenues



- › Every 2.3 years Alkemy has doubled its size, with a mixed of organic growth (21% CAGR) and M&A.
- › 9 acquisitions completed since our foundation, aggregating new skills and capabilities.
- › Alkemy has the best positioning to capture the expected post-Covid Digital Transformation market growth.

<sup>(1)</sup> Revenues 2012-13-14--15-16 are Management estimate and are not audited because of introduction of IFRS in 2017

# OUR OFFICES

8 OFFICES IN 4 COUNTRIES AND 2 CONTINENTS

MILAN  
TURIN  
ROME  
PADUA

BELGRADE  
MADRID  
MEXICO CITY  
NEW YORK

# OUR MACRO COMPETENCES

C

## CONSULTING

Activities aimed at achieving **economic business results** by linking channels and technologies to **clients' businesses and strategies**

DA

### DATA & ANALYTICS

Activities dedicated to **supporting companies** in improving **performance** through the **analysis of available data** and the implementation of **analytics models**

DM

### DIGITAL MARKETING

**Development of strategies** and **governance of tools** for generating engagement and acquiring **leads** and **customers** through digital channels, with or without the use of Media

CX

### CUSTOMER EXPERIENCE

Activities aimed at **planning, designing and implementing** the companies' brand experience, in a fully **integrated way** (physical + digital)

T

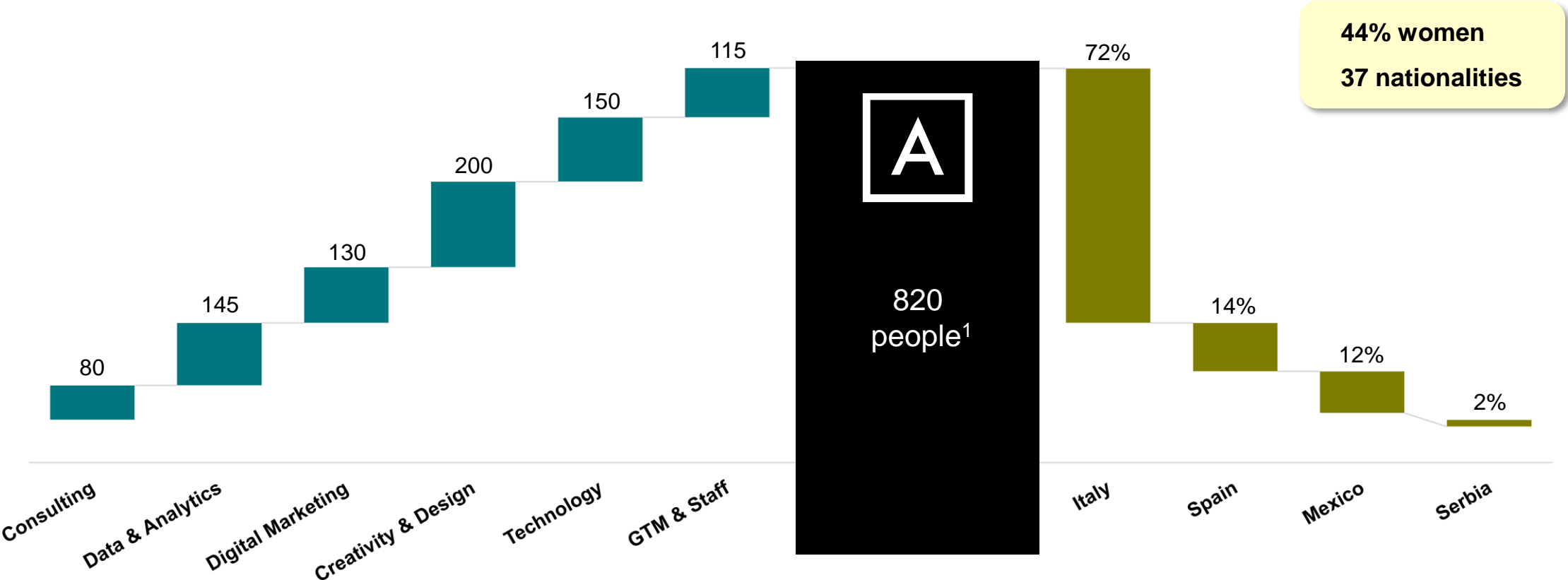
## TECHNOLOGY

**Design and development** of technologies for the **digital evolution** of B2B and B2C channels, **front-end solutions**, **CRM**, **Marketing Automation** and **eCommerce**

# OUR PEOPLE

37 different nationalities, almost 50% women

Alkemy people by competence (#) and location (%)

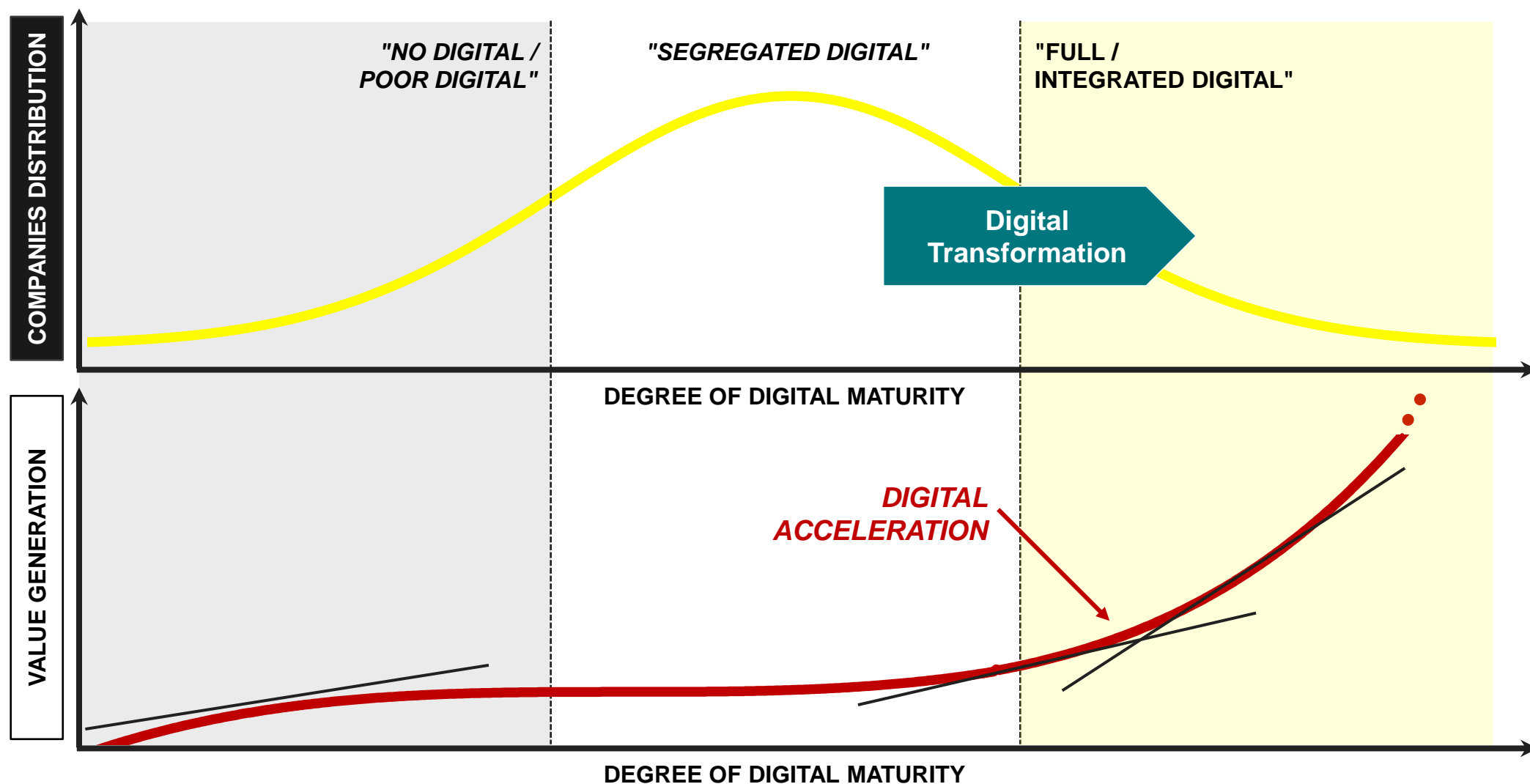


<sup>1</sup> as of April 2022, excluding the impact from InnoCV acquisition



# DIGITAL TRANSFORMATION

redesigning the business model of a company, to be able to capture the full value of digital

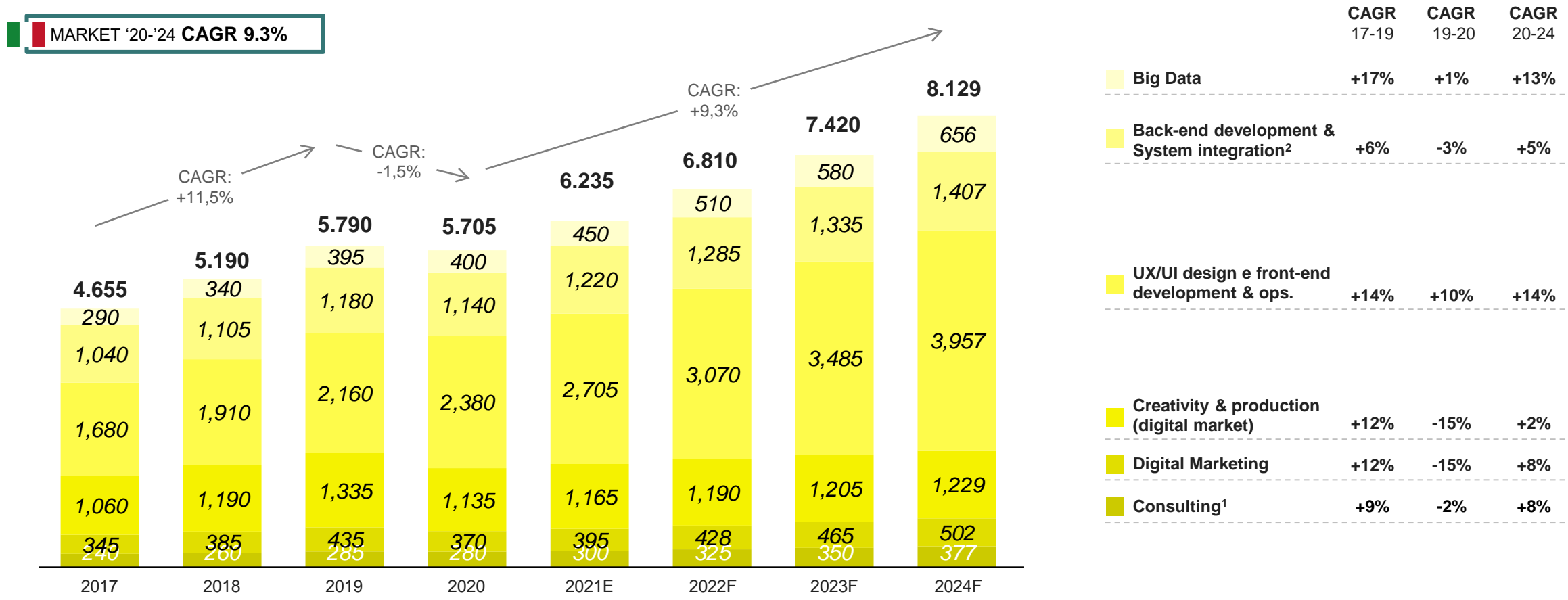




# REFERENCE MARKET IN ITALY (6B€+)

growing at a ~9% rate; COVID-19 will give further push to evolve business models towards digital

Alkemy reference market size in Italy (2017-2024, €M)



source: Alkemy analysis on data from Assoconsult, IAB, Nielsen, Politecnico di Milano, PWC, Accenture, Assinform

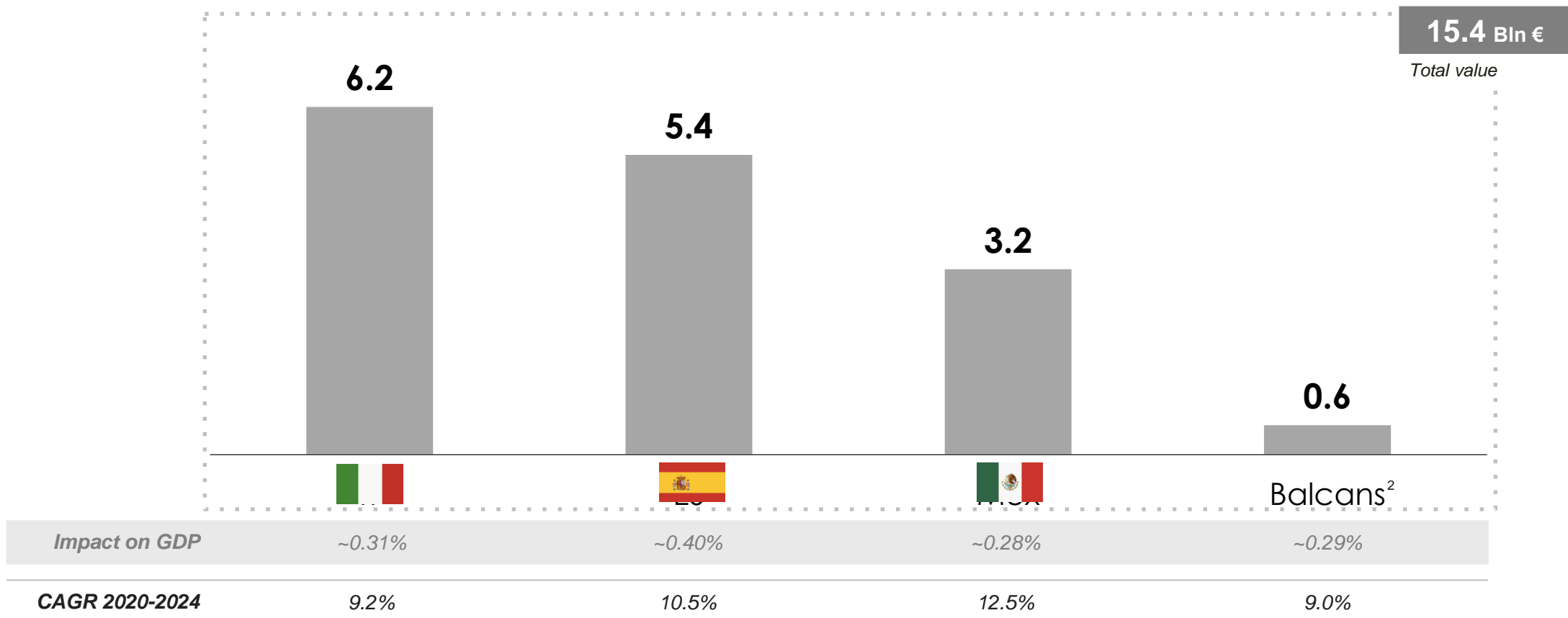
(1) Digital & Innovation consulting only  
(2) Includes CRM, Middleware & Asset Management

# REFERENCE MARKET (~15 B€)

in covered geographies

Alkemy reference market in covered geographies<sup>1</sup>

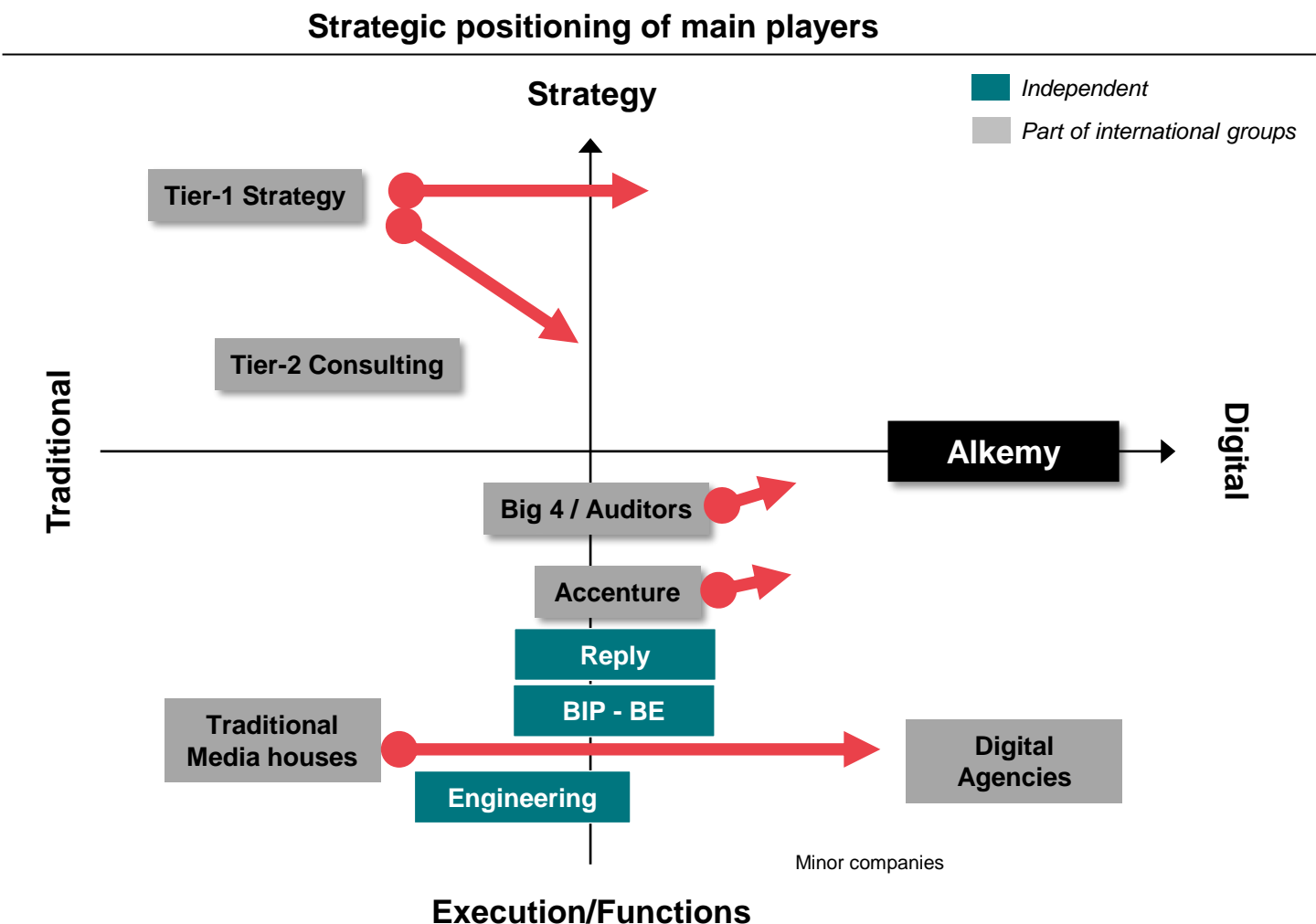
Value of Alkemy reference market, 2020, data in €B



Source: Alkemy analysis on industry reports; Note: (1) does not include «Product & Space Design»; (2) includes: Slovenia, Croatia, Bosnia H., Serbia, North Macedonia, Montenegro

# ALKEMY HAS A UNIQUE POSITIONING

as it became the local reference player for the Digital Transformation



## Positioning

- Alkemy is already the reference local player for the digital transformation.
- Alkemy has developed a unique positioning by target (CEO) and by breadth of offer (from strategy definition to execution).

## Similar players in more mature markets

Player		Ownership	Turnover– M€
Accenture Song	US	Accenture	~9,100
Deloitte Digital	US	Deloitte	~2,500
REPLY	IT	Reply	~1,480
Globant	AR	Public	~ 1,150
Digitas	UK	Publicis Groupe	~ 900
R/GA	US	Interpublic	~550
AKQA	UK	WPP	~450








# ALKEMY WORKS WITH LARGE BRANDS ACROSS MANY INDUSTRIES

## Selected Clients

TMT	    
Energy & Utilities	     
Cons. Goods & Retail	      
Financial Services	       
Industrial	  
Healthcare	   
Other	         

# ALKEMY HAS SUCCESSFULLY USED THE M&A LEVER SINCE ITS FOUNDATION

the EBITDA growth of the acquisitions completed between 2013 and 2020 is up to +500%

TARGET COMPANY & ACTIVITY	 Digital Marketing	 System Integration	 Content Marketing	 Data Analytics	 Digital Marketing	 Products & Spaces Design	 Salesforce Gold Partner
M&A YEAR	2013	2015	2016	2018	2018	2019	2021
EBITDA GROWTH SINCE ACQUISITION <sup>1</sup>	5.0x	1.8x	2.6x	3.5x	1.7x	1.6x	n.a.

(<sup>1</sup>) EBITDA growth at 2021, or last reported EBITDA before merger into Alkemy. For DGI, growth calculated at 2022 forecasted EBITDA.

# A PUBLIC COMPANY LISTED ON EURONEXT STAR MILAN

## Issuer & Tickers

- Alkemy S.p.A. (ALK) | ISIN: IT0005314635
- REUTERS ALK.MI | BLOOMBERG ALK.IM

## Market

Borsa Italiana, Euronext STAR Milan

## Specialist

- Intermonte

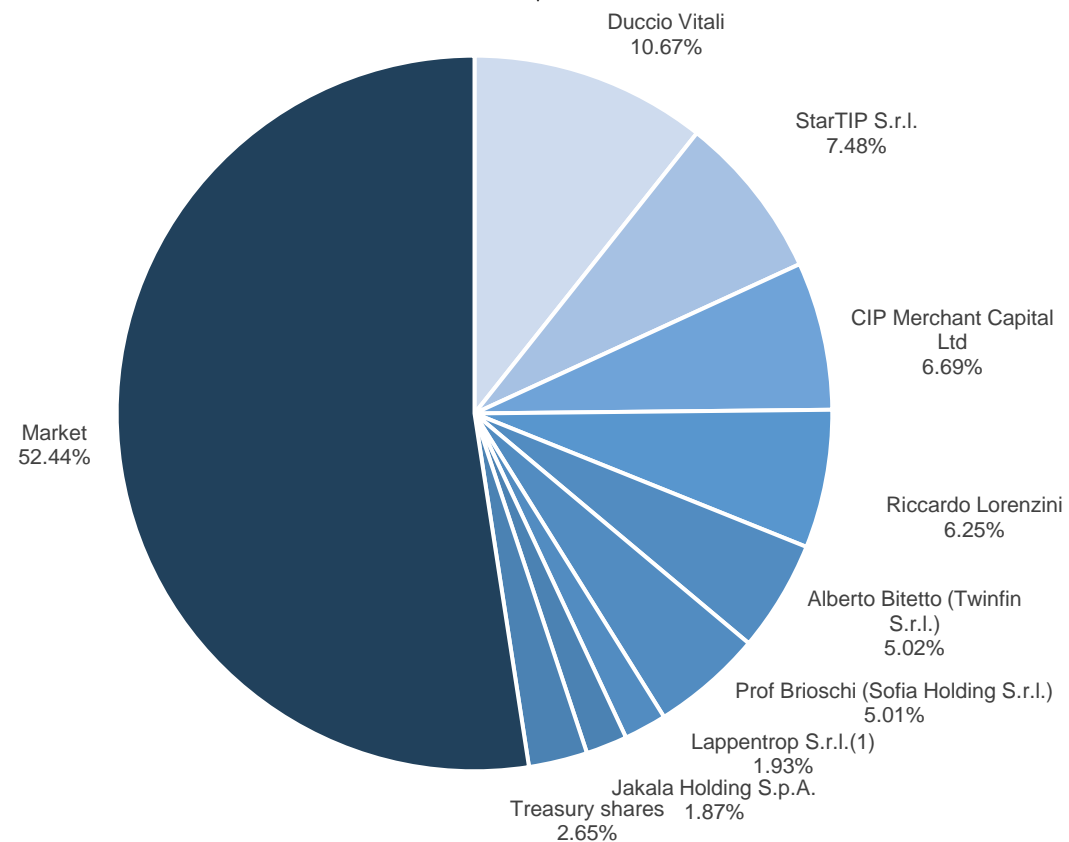
## Analyst Coverage

- Intermonte
- Banca Imi
- Mediobanca



## ALKEMY SHAREHOLDING STRUCTURE

As of June, 2022



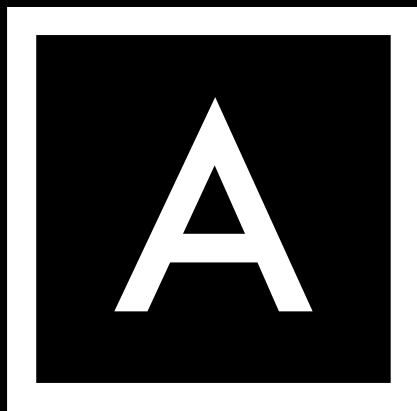
**Outstanding Shares** 5.685.460

<sup>(1)</sup> Lappentrop Srl belongs to Alessandro Mattiacci

# FINANCIAL HIGHLIGHTS

€M	1H 2022	1H 2021	
<b>Turnover</b>	<b>49.0</b>	<b>44.5</b>	> +10% vs. 1H 2021, mostly thanks to change in Group perimeter.
<b>Adj. EBITDA</b>	<b>5.4</b>	<b>5.0</b>	> +8% vs. 1H 2021. EBITDA Adj. margin down by -0.2 pps.
<b>EBIT</b>	<b>3.7</b>	<b>3.2</b>	> +16% vs. 1H 2021. EBIT margin up by +0.4 pps.
<b>EBT</b>	<b>3.6</b>	<b>2.6</b>	> +39% vs. 1H 2021, thanks to the better performance over the period and to the lower net financial charges.
<b>Group Net Income</b>	<b>2.5</b>	<b>1.6</b>	> +57% vs. 1H 2021.
<b>Operating Cash Flow</b>	<b>4.0</b>	<b>3.9</b>	> Broadly in line with 1H 2021 (+ €M 0.1).
<b>NFP</b>	<b>-20.1</b>	FY 2021 <b>-21.2</b>	> €M -1.1 since 31 December 2021 mostly due to the positive economic result achieved that supported the two-fold increase in investments in 1H 2022.



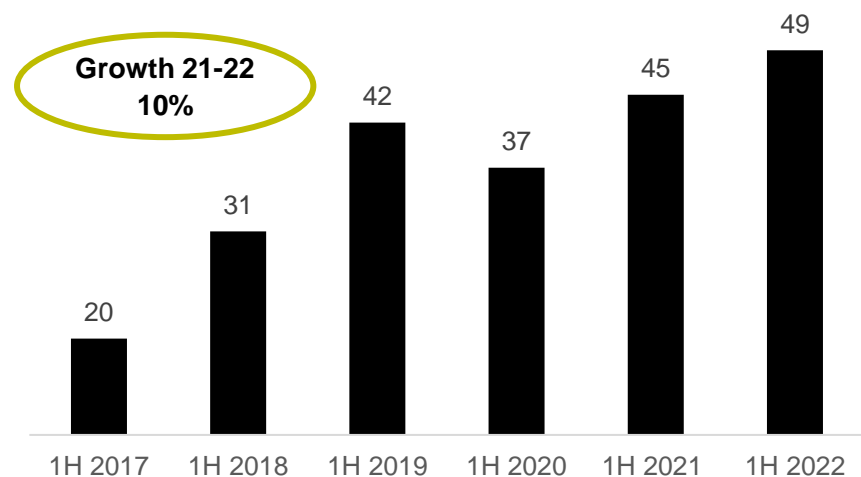


# AN INCREDIBLE OPPORTUNITY AHEAD

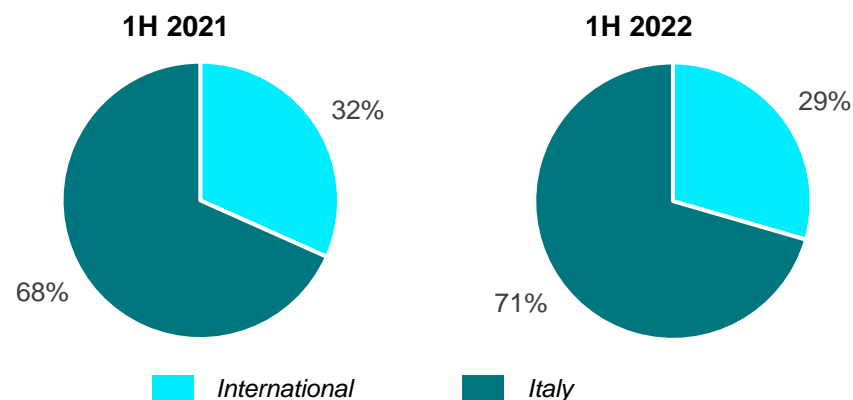
- **Solid Market** - Alkemy operates in a fast-growing market which only in Italy is worth over 6B€, and which generates half-billion of new business every year, and where the recent Covid-19 crisis has put further pressure on companies to invest.
- **Leadership Positioning** - Alkemy has developed a unique positioning with a fully integrated offering able to guide companies across all the phases of the Digital Transformation process.
- **Margin Expansion** - Since 2020, Alkemy started a process of industrialization aimed at increasing marginality, using three different levers:
  1. Increased gross margin through higher efficiency (working on productivity, saturation and synergies);
  2. G&A scalability thanks to business growth;
  3. New Go-to-Market, focused on bigger projects with higher marginality.
- **Consolidation Opportunity** - Over the years Alkemy has acted as aggregator in the market, which is still very fragmented and there are several local excellences that could be integrated in value.

# 1H REVENUES

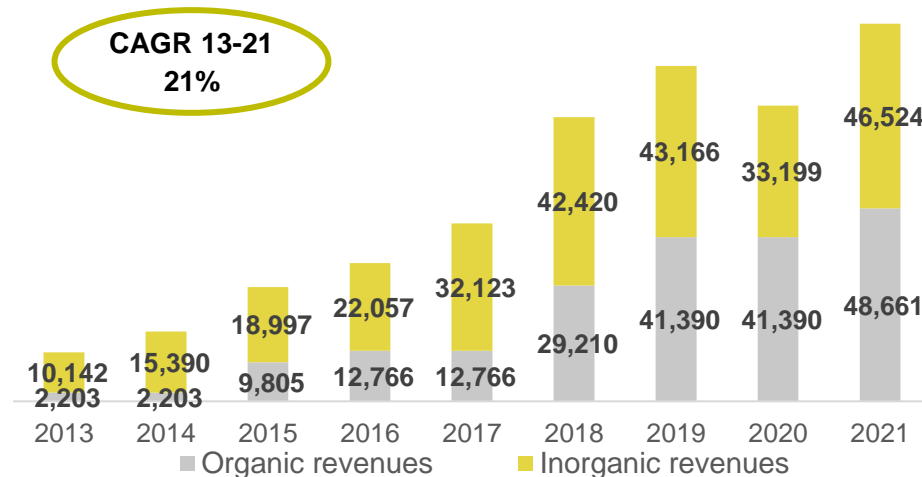
## 1H REVENUES(€M) – IAS /IFRS



## ALKEMY INTERNATIONAL TURNOVER(%)



## ALKEMY ORGANIC AND SCOPE (€000) – IAS /IFRS

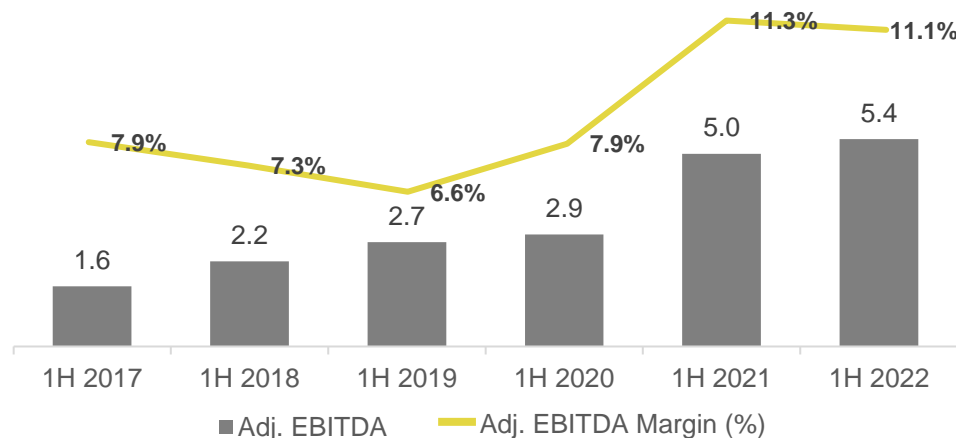


- › 1H 2022 revenues at €M 49.0, +10% compared to 1H 2021 (€M 44.5). The result is due mostly to the Group perimeter change.
- › 1H 2022 Italian turnover is €M 34.6 up by 14% compared to €30.4 M in 1H 2021. The growth is mainly due to the change in Group scope and to the strong focus on current customers.
- › International revenues in 1H 2022 at €M 14.5, up by 2% vs. €M 14.1 in 1H 2021, as a result of the significant growth in revenues generated by the Mexican subsidiaries, mostly offset by the decline recorded by the Spanish subsidiaries' top line.

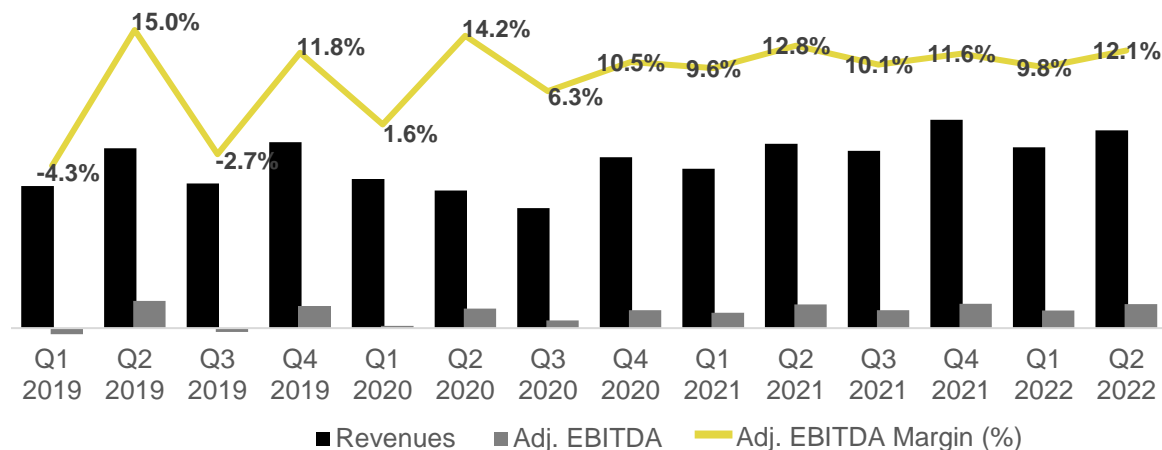
<sup>(1)</sup>Revenues 2013-14-15-16 are Management estimates and are not audited, following the introductions of IFRS in 2018.

# 1H ADJUSTED EBITDA

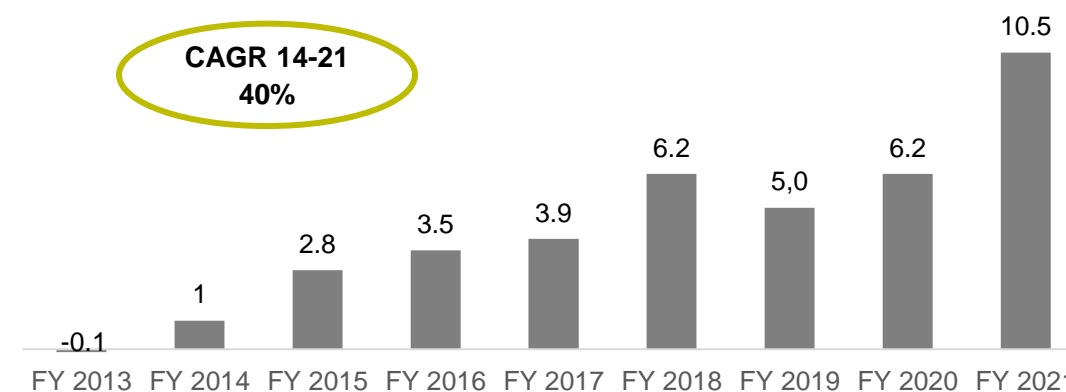
1H ALKEMY Adj. EBITDA(€M) – IAS/IFRS<sup>(1)</sup> & MARGIN (%)



1H EBITDA MARGIN – Adj. EBITDA MARGIN (%)



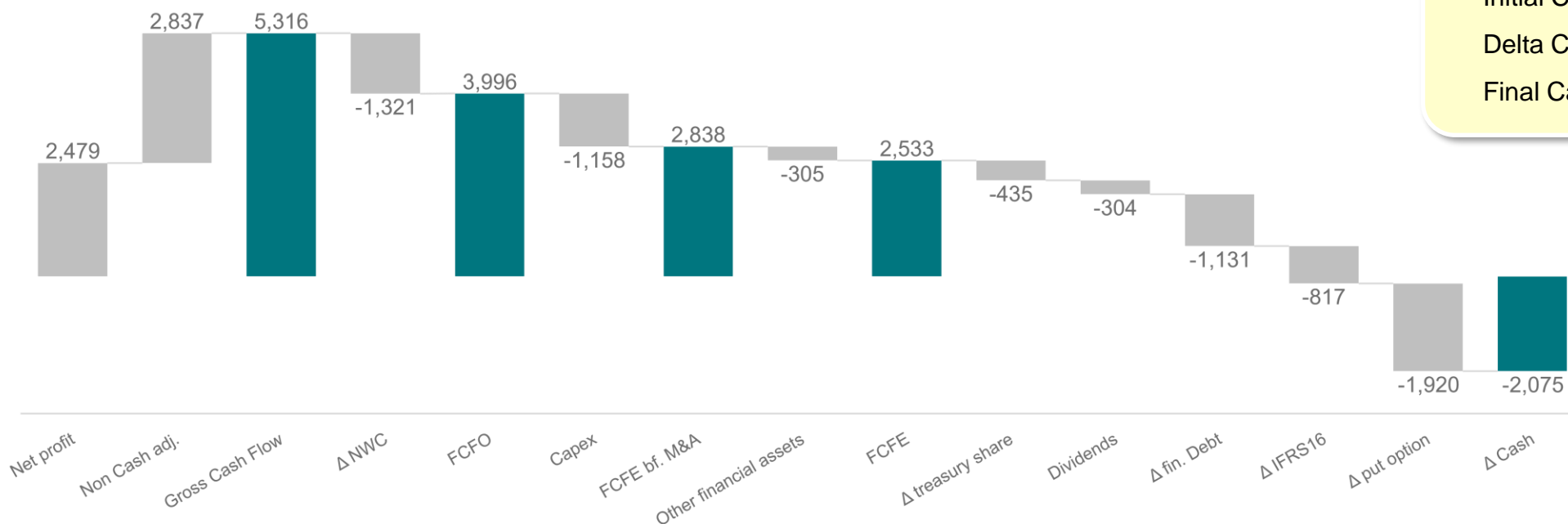
FY ALKEMY Adj. EBITDA(€M) – IAS/IFRS



- › 1H 2022 Adj. EBITDA is €M 5.4, +8% compared to 1H 2021 of €M 5.0.
- › EBITDA Adj, Margin<sup>1</sup> is 11.1% in 1H 2022 vs 11.3% in 1H 2021 with a decline of 0.2 pps.
- › Since 2020, Alkemy has been focusing on flattening the trend of its Adj. EBITDA margin

# 1H 2022 CASH FLOW

## 1H 2022 Cash Flow generation - (€000)



Initial Cash 10.5 €M  
Delta Cash 2.0 €M  
Final Cash 8.4 €M

- › 1H 2022 Gross Cash Flow at €M 5.3, +16% YoY thanks to higher positive result and non-cash adjustments.
- › FCFO at €M 4.0, equal to 74% of Adj. EBITDA, +3% compared to 1H 2021, thanks to higher cash release from Net Trade Working Capital (mainly due to better payment terms).
- › Capex are 2x higher than 1H 2021 and are equal to 2% of revenues.
- › Change in cash over 1H 2022 is €M -2.1, mostly related to operating cash flow and to M&A put options payments occurred over the period.

# NET FINANCIAL POSITION

## Bridge and details

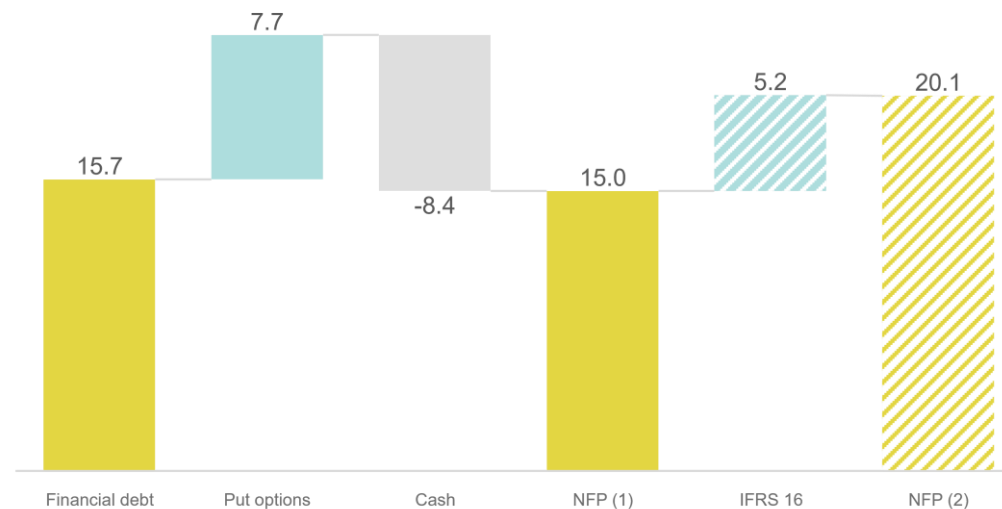
### Net Financial Position Bridge 1H 2022 (€M)



- › **Net Financial Position** NFP (2) at June 30<sup>th</sup> 2022 increased by €M 1.1 compared to €M -21.2 at December 31<sup>st</sup>, 2021.
- › **Variation** is mainly due to: (i) decrease in put option liabilities (€M 1.7), (ii) decrease in bank loans (€M 1.1), (iii) IFRS 16 impact (€M 0.3), (iv) decrease in liquidity on bank accounts (€M -2.1) due to the acquisition.

- › **Gross debt** is composed by €M 15.7 of financial debt (of which €M 8.8 LT, €M 6.9 ST), €M 7.7 put options liabilities deriving from M&A (of which €M 3.6 ST) and €M 5.2 IFRS16 financial leases.
- › 1H 2022 NFP (1) ex IFRS16 is €M 15.0.
- › 1H 2022 cash and equivalents is €M 8.4.

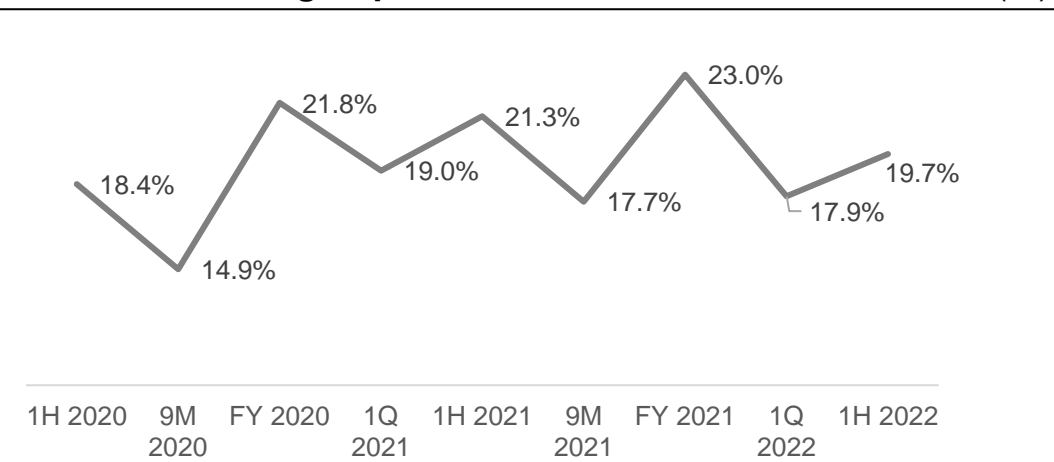
### Net Financial Position Break Down 1H 2022 (€M)



# NET TRADE WORKING CAPITAL

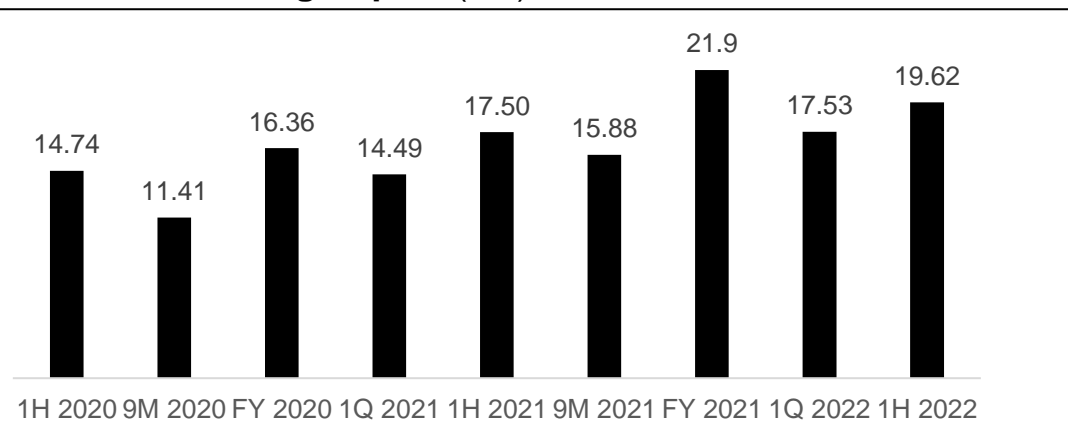
## Dynamics

Net Trade Working Capital over Last 12 Months' Revenues (%)

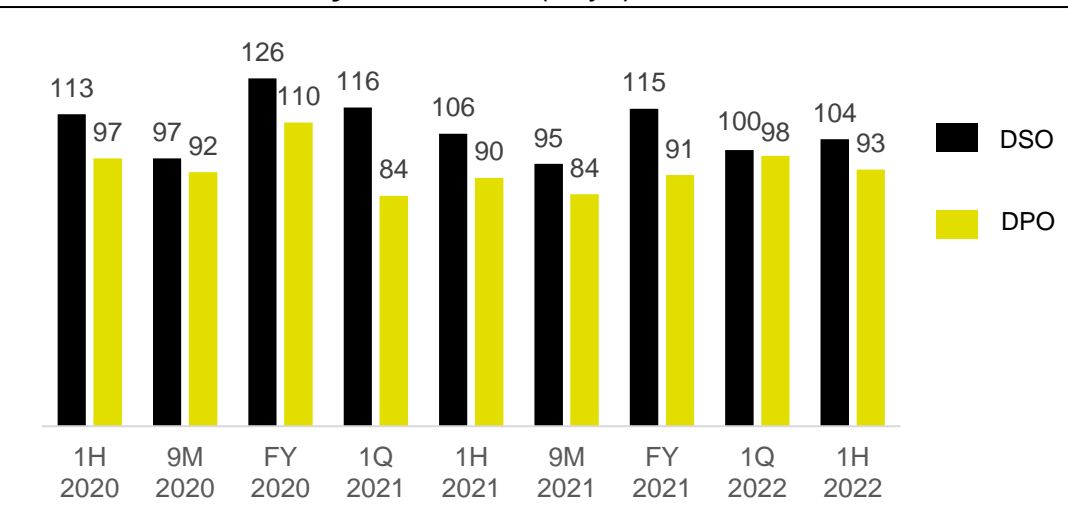


- > 1H 2022 Net Trade Working capital is 12% higher than 1H 2021, due to higher revenues growth in the period.
- > Cash release from **Net Trade Working Capital** decrease (€M +2.3 million) compared to €M +2.1 in 1H 2021, thanks to payables and receivables dynamics.
- > 1H 2021 DSO at 104 -10% vs. 1H 2021; 1H 2022 DPO +2% vs. 1H 2021.

Net Trade Working Capital (€M)



Cash Conversion Cycle Details (days)



# A SOLID CORPORATE GOVERNANCE

## BOARD OF DIRECTORS

Chairman	Alessandro Mattiacci
Chief Executive Officer	Duccio Vitali
Director	Riccardo Lorenzini
Director	Massimo Canturi
Independent Director	Giulia Bianchi Frangipane
Independent Director	Ada Villa
Independent Director	Serenella Sala

## BOARD OF STATUTORY AUDITORS

Chairman	Gabriele Gualeni
Standing Auditor	Mauro Dario Bontempelli
Standing Auditor	Daniela Bruno
Alternate Auditor	Marco Garrone
Alternate Auditor	Mara Sartori



# 1H 2022 P&L

IAS/IFRS

## Consolidated Profit & Loss

Profit and Loss (€000) - IAS/IFRS	1H 2021	1H 2022
<b>Revenues</b>	<b>44,549</b>	<b>49,016</b>
Service costs, consum. & goods	(22,211)	(22,401)
Personnel	(18,152)	(21,505)
<b>EBITDA</b>	<b>4,186</b>	<b>5,110</b>
<b>% Revenues</b>	<b>9.4%</b>	<b>10.4%</b>
Non recurrent costs	(855)	(315)
<b>Adj. EBITDA</b>	<b>5,041</b>	<b>5,425</b>
<b>% Revenues</b>	<b>11.3%</b>	<b>11.1%</b>
D&A	(1,005)	(1,340)
Bad debts/ claims/ provisions	(3)	(70)
<b>EBIT</b>	<b>3,178</b>	<b>3,700</b>
<b>% Revenues</b>	<b>7.1%</b>	<b>7.5%</b>
Other financial items	(308)	-
Financial charges	(272)	(85)
<b>EBT</b>	<b>2,598</b>	<b>3,615</b>
Taxes	(1,022)	(1,136)
<b>% Tax rate</b>	<b>39.3%</b>	<b>31.4%</b>
<b>Net Profit (Loss)</b>	<b>1,576</b>	<b>2,479</b>
<b>% Revenues</b>	<b>3.5%</b>	<b>5.1%</b>
o/w Minorities	18	10
<b>o/w Group Net Profit (Loss)</b>	<b>1,558</b>	<b>2,469</b>

- 1H 2022 **Revenues** at €M 49.0, up by 10% compared to €M 44.5 of 1H 2021. The increase is mostly related to the change in the Group perimeter. **Italian revenues up by 14%** YoY, mainly related to the acquisition of the majority stake in DGI and XCC, (€M 5.5) and to the new Go-To-Market strategy. **Foreign turnover up by 2%**, mainly thanks to the Mexico subsidiaries, whose performance more than offsets the Spain subsidiaries' negative one.
- Operative costs** increased (impact on revenues + 9.0 pps compared to 1H 2021). **Services costs** increased by 1% yoy, but **reduced the impact on revenues by 4 pps**. **Personnel costs** increased incidence on revenues by 3.0 pps compared to 1H 2021, due to the higher FTE for the period (from 590 in 1H 2021 to 765 in 1H 2022), also as a consequence of the Group perimeter change.
- 1H 2022 **Adj. EBITDA** at €M 5.4 +8% compared to €M 5.0 in 1H 2021, with a margin decline of 0.2 pps (**Adj. EBITDA margin 11.1%**). **EBIT** is equal to €M 3.7 +16% compared to €M 3.2 in 1H 2021, with an EBIT margin increase at 0.4 pps.
- EBT** at €M 3.6. 1H 2022, +39% compared to €M 2.6 in 1H 2021. **Group Net Profit** is €M 2.5 +65% vs €M 1.6 in 1H 2021.

# 1H 2022 BALANCE SHEET

IAS/IFRS

## Consolidated Balance Sheet

Balance Sheet (€000) - IAS/IFRS	FY 2021	1H 2022
Tangible assets	1,809	2,086
Intangible assets	6,195	6,226
<i>o/w rights of use (IFRS16)</i>	<i>5,332</i>	<i>5,001</i>
Goodwill	41,249	41,255
Financial assets	3,824	3,894
<b>Fixed Assets</b>	<b>53,077</b>	<b>53,461</b>
Inventories	-	-
Trade Receivables	36,040	33,602
Trade Payables	(14,184)	(13,987)
<b>Net Trade Working Capital</b>	<b>21,856</b>	<b>19,615</b>
Other Current Assets	4,159	4,581
Other Current Liabilities	(14,840)	(12,170)
Employees' leaving entitlement	(6,361)	(6,686)
<b>Total Capital Invested</b>	<b>57,891</b>	<b>58,801</b>
<b>Total Equity</b>	<b>36,699</b>	<b>38,700</b>
o/w Group Equity	36,376	38,365
o/w Minorities	323	335
Cash & current financial assets	(10,542)	(8,465)
Bank Debts	16,771	15,663
Put Option Liabilities	9,481	7,748
Other Financial Debts (IFRS16)	5,482	5,155
<b>Net Debt (Cash)</b>	<b>21,192</b>	<b>20,101</b>
<b>Total Funds</b>	<b>57,891</b>	<b>58,801</b>

- › **Net Invested Capital** at €M 58.8 (€M 57.9 at FY 2021) and consisted of approx. € 19.6 million of **Net Trade Working Capital** (€M 21.9 FY 2021), €M 53.5 of fixed assets (€M 53.1 FY 2021) of which €M 41.3 of **Goodwill** (€M 41.2 in FY 2021) and €M 5.0 of IFRS 16 **rights of use** (€M 5.3 in FY 2021).
- › **Shareholders' equity** increased in the period by €M 2.0 since 31 Dec. 2021 (+5%), mainly due to the positive result of the period (€M +2.6).
- › **Net Financial Position** at June 30th, 2022, negative by €M -20.1 (ante-IFRS 16 at €M -15.0) improving by €M +1.1 compared to FY 2021. Specifically, the **variation** is mainly due to: (i) decrease in put options liabilities (€M 1.7); (ii) decrease in bank loans (€M 1.1); (iii) IFRS 16 impact (€M 0.3); (iv) decrease in cash and cash equivalents (€M -2.0).

# 1H 2022 CASH FLOW GENERATION

IAS/IFRS

## Consolidated Cash Flow

Cash Flow Statement (€000) - IAS/IFRS	1H 2021	1H 2022
<b>Net Profit (Loss)</b>	<b>1,576</b>	<b>2,479</b>
Adjustments (cash tax, interest and other)	1,602	1,221
Non-cash items	1,398	1,616
<b>Gross Cash Flow</b>	<b>4,576</b>	<b>5,316</b>
Change in trade receivables	3,565	2,369
Change in trade payables	(1,443)	(74)
<b>Total change in NTWC</b>	<b>2,122</b>	<b>2,295</b>
Total change in other asset/liabilities	(2,833)	(3,616)
<b>Operating Cash Flow</b>	<b>3,865</b>	<b>3,996</b>
Capex	(562)	(1,158)
<b>Free Cash Flow before Acquisition</b>	<b>3,303</b>	<b>2,838</b>
Acquisitions and other financial assets	(2,175)	(305)
<b>Free Cash Flow</b>	<b>1,128</b>	<b>2,533</b>
Change in treasury shares	(456)	(435)
Dividends to minorities	(1,023)	(304)
Change in bank & fin. Debts	(2,479)	(1,131)
IFRS 16 effect	(600)	(817)
Changes on other financial assets	(21)	-
Change in put/option	-	(1,920)
<b>Change in Cash</b>	<b>(3,451)</b>	<b>(2,075)</b>
Initial Cash	18,840	10,458
Final Cash	15,389	8,383

- › 1H 2022 **Gross Cash Flow** at **€M 5.3**, compared to €M 4.6 in 1H 2021. The increase yoy is mostly due to higher positive result of the period.
- › 1H 2022 **Operating cash flow** at **€M 4.0** compared to €M 3.9 of 1H 2021. The increase of €M 0.1 is mainly related to the greater cash release of the net working capital, mainly due to lower DSO.
- › Ordinary **Capex** of the period is 2.0x higher than 1H 2021 and is mostly related to hardware equipment for the Group. 1H 2022 **Free Cash Flow before Acquisitions** is equal to **€M 2.8**, declining vs. €M 3.3 in 1H 2021.
- › 1H 2022 **Free Cash Flow** is **€M 2.5**, compared to €M 1.1 in 1H 2021.
- › Total change in **cash** for the period was **€M -2.1** compared to €M 3.5 in 1H 2021.



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